SKYWALK IMPROVEMENT AND OPERATING AGREEMENT

THIS SKYWALK IMPROVE	MENT AND OPE	RATING AGREEMENT (Agreement)
is entered into by and between Lincoln I	nvestment Group	o, L.L.C., a Nebraska limited liability
company (Lincoln Inv.), and St. George, L.I	L.C., a Nebraska l	limited liability company (St. George),
jointly referred to as the Operators, and the	e City of Lincoln,	Nebraska, a municipal corporation of
the State of Nebraska (City), as of this	day of	2002.

RECITALS

A. Lincoln Inv. is the Operator for the Skywalk Improvements within the property bearing the legal description of:

Lots 11 and 12, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska (1001 "O" Street) ("Lincoln Bldg.").

B. St. George is the Operator for the Skywalk Improvements within the property bearing the legal description of:

Lots 6 and 7, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska (1023 "O" Street).

C. The City is the Operator for the Skywalk Improvements within the property bearing the legal description of:

Lots 8 and 9, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska (1005 "O" Street) (Senior Center Bldg.).

- D. The Operators shall cooperate to establish, construct, reconstruct, use, operate, maintain, and repair a skywalk (Skywalk) for the movement of pedestrians above the street level within, through, and between the Lincoln Building, 1023 O Street, Senior Center Bldg., and St. George Bldg. (collectively the "Buildings").
- E. For purposes of this Agreement the City shall have all the rights and obligations of an Operator corresponding to the owner of the Senior Center Bldg. as an Operator under this Agreement.
- F. The plan for the proposed location of the Skywalk within and between the Buildings is shown on Exhibit A attached and incorporated by this reference. Exhibit A is an

- architectural schematic of the Skywalk on file in the office of the City Clerk, County-City Building, 555 South 10th Street, Lincoln, Nebraska 68508.
- G. It is the desire of the Operators and the City that this Agreement provide for the construction, reconstruction, operation, maintenance, and repair of the Skywalk in an efficient and equitable manner.

SECTION 1 COST SHARING AGREEMENT

The Operators are, in accordance with the cost-sharing formula hereafter provided in the Skywalk Maintenance and Cost-Sharing Agreement, attached as Exhibit B and incorporated by this reference (the "Maintenance Agr."), submitting this Agreement along with the supporting plans to the City of Lincoln authorizing them to use, operate, maintain, and repair the Skywalk between the Buildings, for a term of twenty-five (25) years from the date hereof.

SECTION 2 TERM OF AGREEMENT

This Agreement shall remain in full force and effect from the date this Agreement is executed by the City until termination or expiration of the twenty-five (25) years.

SECTION 3 CONSTRUCTION OF SKYWALK

- 3.1 <u>BUILDING ACCESS</u>. The Operators, at their cost and expense, including architectural fees, shall provide and construct the corridors within each such Operator's respective building to connect to the Skywalk, as shown on Skywalk Schematic Drawings attached as Exhibit A. Within the Buildings, Lincoln Inv. shall further provide vertical access between the street level and the Skywalk.
- 3.2 <u>SKYWALK</u>. The Operators shall cause the Skywalk related Improvements to the Buildings, as shown on Exhibit A, to be constructed in substantial accordance with the Redevelopment Agreement and the Skywalk Construction Plans, as approved by the City. A portion of the cost and expenses, including architectural fees, of constructing the Skywalk may be paid by the City through the use of tax increment financing as described in related and separate Redevelopment Agreements. The maximum obligation of Lincoln Inv. and St. George for contribution to the Project shall be that amount described in the Redevelopment Agreement between the respective Operators and the City, as the "Redeveloper Contribution."

SECTION 4 ARCHITECTURAL SERVICES

The City and the Operators agree that the firm of Bahr, Vermeer & Haecker (Architects) shall be retained under such separate and reasonable architectural services agreements with the City as shall be necessary in order for the Architects to perform required architectural services in connection with design, preparation of schematics and construction documents (Skywalk Documents) and construction of the Skywalk. The cost of architectural services in connection with design and construction of the Skywalk as shown on Exhibit A, shall be paid by the City and included in the costs of the Project. The Operators shall each individually pay the costs of architectural services for design and construction of the corridors within their respective Buildings which connects to the Skywalk. The Architects, as part of their services, shall further be given the responsibility to coordinate design and construction of the Skywalk Improvements including the internal corridors of the Operator in order to assure that construction is accomplished in an efficient manner and in accordance with the plans and specifications approved by the parties.

SECTION 5 EASEMENT IN SKYWALK

- 5.1 <u>FROM OPERATORS</u>. The Operators hereby grant to each other and to the City, their successors, agents, employees, and invitees, the right and easement to construct, connect, support, operate, repair, maintain, and use that part of the Skywalk and adjoining corridors located on their respective properties as a public pedestrian walkway during the continuance of this Agreement.
- 5.2 <u>FROM CITY</u>. The City hereby grants to the Operators, their successors, agents, employees, and invitees, the right and easement to operate, maintain, and use the Skywalk as a public pedestrian walkway during the continuance of this Agreement.

SECTION 6 USE OF SKYWALK

From and after the date the Skywalk is substantially complete, it shall be used by the public as a pedestrian walkway subject to the terms and conditions of this Agreement and the Lincoln Municipal Code.

SECTION 7 MAINTENANCE OF SKYWALK

The Operators shall provide for the maintenance, repair, management, operation, and cleaning of the Skywalk as provided in the Maintenance Agreement. The Operators shall also complete any reasonable repairs to the Skywalk required by the City. In the event that the City determines repairs to the Skywalk are necessary, the City shall send written notice to the Operators of such fact.

SECTION 8 PUBLIC LIABILITY INSURANCE

- 8.1 <u>COVERAGE</u>. The Operators shall obtain comprehensive general liability insurance against claims for personal injury, death, or property damage occurring upon, in, or about the Skywalk within each such Operator's building, including the public skywalk bridges, corridor, and easements thereof, with a reliable insurance company or companies authorized to do business in the State of Nebraska, in such amounts as from time to time are carried by prudent owners in the City of Lincoln; provided, however, that in no event shall the comprehensive general liability insurance required above afford protection of less than One Million Dollars (\$1,000,000) per person or per occurrence and One Million Dollars (\$1,000,000) in respect to property damage. The policy or policies of such insurance shall cover the Operators, and the City as an additional insured and shall provide that such insurance cannot be canceled until after thirty (30) days written notice of such cancellation shall have been filed with the City.
- 8.2 <u>POLICY TERM</u>. The insurance required by this section shall be secured at the time of substantial completion and shall be kept throughout the term of this Agreement. Certificates of such policy or policies of insurance shall be filed with the City Clerk.
- 8.3 <u>COST</u>. The cost of such public liability insurance attributable to the Skywalk shall be borne by the Operators according to the budgeting process and cost-sharing percentages provided in the Maintenance Agreement.

SECTION 9 FIRE AND EXTENDED COVERAGE INSURANCE

From and after the date that the Skywalk is substantially completed, the Operators shall keep the Skywalk insured in the name of the City against loss or damage by the special perils endorsement (all-risk) with a deductible of not more than One Thousand Dollars (\$1,000) as carried by prudent owners in the City of Lincoln, equal to one hundred percent (100%) of the full

replacement value thereof. Such insurance shall be written by an insurance company or companies authorized to do business in the State of Nebraska having a current Best's rating of at least A, and shall include a provision that it shall not be invalidated should any named insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property covered by such insurance. Certificates of such policy or policies of insurance shall be filed with the City Clerk and approved by the City Attorney for conformance with the requirements of this section. All policies of insurance and certificates therefor required by this section shall provide that such insurance cannot be canceled until after thirty (30) days written notice of such cancellation shall have been filed with the City Clerk. The City shall immediately notify each Operator in writing upon receipt of any such notice of cancellation. The cost of such fire and extended coverage insurance attributable to the Skywalk shall be borne by the Operator according to the cost-sharing percentages as agreed in paragraph 9 of Exhibit B.

SECTION 10 RECONSTRUCTION OF SKYWALK

In the event any part of the Skywalk shall be damaged or destroyed by fire or other casualty, the City shall, as soon as reasonably possible after occurrence of any event causing such damage or destruction, cause any such part of said Skywalk to be reconstructed, repaired, and restored to the same general condition in which it existed at the time of the occurrence of such event provided, this section shall not apply to interior corridors of buildings that are destroyed by fire or other casualty if the building is not reconstructed, repaired, and restored.

SECTION 11 UTILITY SERVICES

The Operators shall contract and pay for all water, gas, electricity, and other utility services required for use within the Skywalk. The costs for such utility services shall be borne by Operators according to the cost-sharing percentages in Section 17 and included in the budget described in Section 9.

SECTION 12 HOURS OF OPERATION - ACCESS ROUTES

The hours of operation for the Skywalk shall be determined by the Operators in the attached Maintenance Agreement giving due consideration to the needs of the public and the business hours of the Operators and their respective tenants and affiliates.

SECTION 13 <u>DIRECTIONAL SIGNS AND GRAPHICS</u>

During the continuance of this Agreement, Operators shall jointly, subject to approval by the City, which approval shall not be unreasonably withheld, install and maintain within the Skywalk directional signs and graphics to give direction and information to the public using the Skywalk.

SECTION 14 WAIVER

No waiver of any default by any party to this Agreement shall be implied from any omission of any other party to take any action on account of such default if such default persists or is repeated. No expressed waiver shall affect any default other than that default specified in the expressed waiver, and that only for the time and to the extent therein stated.

SECTION 15 NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be by certified mail, postage prepaid and return receipt requested, to the parties to be notified at the address set forth below or at such other addresses as any party may from time to time designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mail in the manner prescribed herein.

Notices shall be provided as follows:

To the Operators:

(Lincoln Building)
Lincoln Investment Group, L.L.C.
Suite 100, 1001 O Street
Lincoln, NE 68508

and

(St. George) St. George, L.L.C. 6500 Holdrege Street Lincoln, NE 68505 To the City:

(Senior Center) Mayor 555 South 10th Street Lincoln, NE 68508

and

Urban Development Director 129 North 10th Street Lincoln, NE 68508

SECTION 16 GOVERNING LAW - SEVERABILITY

- 16.1 <u>Standard Requirements</u>. In the construction, use, operation, maintenance, and repair of the Skywalk under this Agreement, the Operators and the City shall comply with the Skywalk Policy, Guidelines and Standards of the City as set forth in Ordinance No. 12095, Ordinance No. 12160, Resolution No. A-64268, and Resolution No. A-68069. The Resolution of Intention (Resolution No. A-68069) contains variances to the Skywalk Policies, Guidelines and Standards of the City, and those Skywalk Policies, Guidelines and Standards and variances are herein incorporated into this Agreement.
- 16.2 <u>Governing Law</u>. The laws of the State of Nebraska shall govern the validity, performance, and enforcement of this Agreement.
- 16.3 <u>Severability</u>. The invalidity and unenforceability of any provision of this Agreement shall not invalidate or impair any other provisions herein.

SECTION 17 FILING OF AGREEMENT

A fully executed counterpart original of this Agreement shall be filed of record in the office of the City Clerk for the City of Lincoln, Nebraska, and in the office of the Register of Deeds for Lancaster County, Nebraska.

SECTION 18 SECTION HEADINGS FOR CONVENIENCE ONLY

The section headings used herein are for convenience only and shall not be resorted to for purposes of interpretation or construction hereof.

SECTION 19 AMENDMENTS TO BE IN WRITING

This Agreement may be modified or amended only by a writing duly authorized and executed by all of the Operators and the City.

SECTION 20 PROPERTY SUBJECT TO JUDICIAL PROCESS

Anything contained in this Agreement to the contrary notwithstanding, each party to this Agreement agrees that it will look only to the interest of any Operator in the real property described in the Recitals of this Agreement for the collection of any judgment or any other judicial process requiring the payment of money by one party to another resulting from any default or breach with respect to any of the terms and provisions of this Agreement. In the case of any party which is a partnership, the general partners shall have no liability whatsoever beyond their interest in those assets of the partnership which are an interest in the real property described in the Recitals in this Agreement.

SECTION 21 WAIVER OF SUBROGATION

Each party to this Agreement hereby releases every other party hereto from any claim for recovery for any loss or damage to any of its property which is insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance.

SECTION 22 PARTIES BOUND - AGREEMENT TO RUN WITH LAND

- 23.1 <u>BINDING EFFECT</u>. The covenants, terms, and conditions of this Agreement shall be binding upon and inure to the benefit of heirs, personal representatives, lessees, sublessees, successors, and assigns of the parties hereto.
- 23.2 <u>RUN WITH LAND</u>. The covenants, terms, and conditions of this Agreement shall run with the land comprising the Lincoln Building, St. George Building, and Senior Center Bldg., the legal descriptions of which are set forth in paragraphs A, B, and C of the Recitals of this Agreement, and shall further be binding upon and inure to the benefit of the owners in fee of said parcels of real estate and their respective heirs, personal representatives, successors, and assigns.
- 23.3 <u>RELEASE BY ASSIGNMENT</u>. Each Operator may, along with a conveyance or assignment of all of its respective interest in the real property owned by such Operator, assign its interest in this Agreement, and shall, from and after the effective date of such assignment, be free of any further liability under this Agreement. An assignment by Operator of its interest in this Agreement shall not be effective until written notice thereof shall have been given to the City and other Operators.
- 23.4 <u>OPERATOR</u>. Operator or Operators where used in this Agreement shall mean those Operators named in the first paragraph on page 1 hereof and any successor to any of the real property interests described in paragraphs 1B and C of the Recitals of this Agreement.

SECTION 23 CITY ACCEPTANCE OF SKYWALK

By execution of this Agreement, the City acknowledges its complete and unqualified approval of the construction, operation, maintenance, and easements of the Skywalk as provided by the terms of this Agreement and as shown and described in Exhibit "A".

IN WITNESS WHEREOF, the parties have executed this Agreement at Lincoln, Nebraska, as of the dates indicated below.

Executed this day of	, 2002.
ATTEST:	CITY OF LINCOLN, NEBRASKA, a municipal corporation,
	Ву:
City Clerk	Don Wesely, Mayor

LINCOLN INVESTMENT GROUP, a limited liability company,

Ву	: Title:
	ST. GEORGE, L.L.C., a limited liability company,
Ву:	Title
STATE OF NEBRASKA)) ss. COUNTY OF LANCASTER)	
	edged before me on the day of as Mayor of the City of Lincoln, a municipal
	Notary Public
STATE OF NEBRASKA)) ss. COUNTY OF LANCASTER)	
The foregoing instrument was acknowledg by of Lincoln liability company.	ed before me on 2002, n Investment Group, L.L.C., a Nebraska limited
	Notary Public
STATE OF NEBRASKA)) ss. COUNTY OF LANCASTER)	
The foregoing instrument was acknowledged by of St. Ge	
	Notary Public

EXHIBIT A

SCHEMATIC DRAWINGS

EXHIBIT B

SKYWALK MAINTENANCE COST SHARING AGREEMENT

	This Skywalk Maintenance and Cost-Sharing Agreement (Maintenance Agreement)			
	de this day of, 2002, by and between Lincoln			
Investment Group, L.L.C., a Nebraska limited liability company (Lincoln Inv.); St. Geroge, L a Nebraska limited liability company (St. George); jointly referred to as the Parties, and the C Lincoln, Nebraska, a municipal corporation of the State of Nebraska (City).				
	RECITALS			
A.	Lincoln Inv. is the Operator for the Skywalk Improvements within the property bearing the legal description of:			
	Lots 11 and 12, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska (1001 "O" Street) ("Lincoln Bldg.").			
B. legal (St. George is the Operator for the Skywalk Improvements within the property bearing the description of:			
	Lots 6 and 7, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska (1023 "O" Street).			
C.	The City is the Operator for the Skywalk Improvements within the property bearing the legal description of:			
	Lots 8 and 9, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska (1005 "O" Street) (Senior Center Bldg.).			
D.	The parties have entered into that Skywalk Improvement and Operating Agreement (Skywalk Agreement), dated, with the City of Lincoln, Nebraska, a municipal corporation (City) for a term of twenty-five (25) years to establish, construct, reconstruct, use, operate, maintain, and operate a skywalk within, through, and between the Lincoln Bldg., 1023 O Street, Senior Center Bldg, and St. George Bldg.			
F.	As part of the Skywalk Agreement, the parties are required to and hereby evidence their intent to provide for the common maintenance of the skywalk pursuant to a cost-sharing agreement.			
valual	NOW THEREFORE, the Parties in consideration of their mutual promises and other			

1. <u>Resident Agent</u>. The Parties hereby appoint and designate the Director of the Urban Development Department of the City of Lincoln to act as their agent to assess each party with its proportionate share of the costs and expenses described in this Agreement for the maintenance, repair, management, operation, and other common expenses connected thereto for the Skywalk.

Allocation of such costs and expenses shall be in accordance with the cost-sharing formula provided in paragraph 9 of this Agreement.

- 2. <u>Maintenance of Skywalk.</u> Upon completion of construction of the Skywalk, Lincoln Building or its successors in interest shall be responsible for managing, maintaining, operating, repairing, and cleaning the Skywalk, the same to be done in a good and workmanlike manner in accordance with all laws, ordinances, rules, and regulations of any governmental authority applicable thereto. Such responsibility shall include, utility costs, and other charges arising out of or incidental to the maintenance of the Skywalk.
- 3. <u>Budget</u>. Not later than sixty (60) days before completion of the Skywalk and not later than sixty (60) days before the first day of each calendar year thereafter, the Parties shall jointly prepare a budget covering the estimated costs of maintaining, repairing, and cleaning the Skywalk, including also, without limitation, the cost of usual repairs and maintenance, permit fees, bonding fees, insurance premiums, and common utility expenses during the next ensuing calendar year (the first budget shall cover the remaining period of the then current calendar year.) The budget will, in each instance, stand as prepared unless any Party within thirty (30) days after such joint preparation makes an objection to such budget in writing to the other Party. Within thirty (30) days after receipt of such objection, the parties shall meet for the purpose of discussion of the budget. The budget will thereafter be confirmed as originally jointly prepared or as modified by the agreement of the Parties.
- 4. <u>Payment</u>. Unless otherwise agreed St. George and the City each shall pay to Lincoln Inv. on the first day of each month commencing with the month in which the Skywalk shall be complete and open for use, an amount equal to 1/12 of its proportionate share of the annual costs of maintaining, repairing, managing, operating, and cleaning the Skywalk, as such costs are estimated in the budget and apportioned in accordance with the cost-sharing percentages provided in paragraph 9.

Within thirty (30) days after the close of the first, second, and third calendar quarters of each calendar year, Lincoln Building shall deliver to the other parties an itemized statement of the actual costs of operating, maintaining, and repairing the Skywalk for the current year up to the close of each such quarter. Within thirty (30) days after the close of each calendar year, Lincoln Building shall submit to the other parties an itemized statement of the actual costs of maintaining, repairing, and cleaning the Skywalk during the preceding calendar year, and promptly after such submission each party shall pay its proportionate percentage share of such costs in accordance with the cost-sharing percentages provided in paragraph 9.

For the purpose of this Agreement, Usual Repairs shall be those repairs, the costs of which are included in the then current budget approved in accordance with the provisions of this section, and Unusual Repairs shall include all other repairs. No Unusual Repairs, except those made under emergency conditions or required by the City, shall be made until approved by each Party.

5. <u>Books and Records</u>. City shall keep and maintain a separate and accurate set of books and records for the operation, maintenance, repair, and cleaning of the Skywalk, which books and records shall be made available to inspection by the other Parties after receipt of reasonable written notice requesting the same.

- 6. <u>Successor Agent</u>. Upon the City's written approval, the Parties may agree to relieve Lincoln Building or any successor of Lincoln Building from the maintenance, repair, and cleaning responsibilities under this Maintenance Agreement, and designate one of the other Parties or its successor to perform such responsibilities in accordance with the provisions of this Agreement.
- 7. Workers' Compensation. Lincoln Building or its successor shall provide adequate workers' compensation insurance for all labor contracted or otherwise provided in performing such maintenance, repair, and cleaning responsibilities of the Skywalk, as required by the Nebraska Workers' Compensation Law. A certificate or certificates of such insurance shall be furnished upon request to the City. All such policies of insurance and the certificates therefor shall provide that such insurance cannot be canceled until after ten (10) days written notice of such cancellation shall have been given to the other Parties.
- 8. <u>Hours of Operation</u>. The hours of operation for the Skywalk shall be established by the Parties to provide for the needs of the public and the owners, and their respective tenants and affiliates. It is contemplated that, upon completion of construction, the hours of operation for the Skywalk shall be:

Monday through Saturday 7:00 a.m. to 7:00 p.m. (except holidays) 24 hour access by Lincoln Bldg. tenants provided Lincoln Bldg. pays all costs associated therewith.

The hours of operation shall be periodically reviewed by the Parties and may be changed from time to time by a decision of the Parties other than the City, subject to approval by the City or any district or commission established to provide for the uniform operation, maintenance, and hours of the skywalk system in Lincoln, Nebraska.

- 9. <u>Cost-Sharing Formula</u>. The Parties agree that all costs and expenses in connection with (1) preparation and filing of an application with the City for the Skywalk; and (2) general operation, maintenance, insurance, repair, and cleaning (including utility costs) of the Skywalk, as provided in this Maintenance Agreement, shall be shared in equal amounts of 1/3 St. George, City, and Lincoln Inv.
- 10. <u>Default in Payments</u>. If any Party fails to make any payment required by this Maintenance Agreement when the same is due, the other party may pay on behalf of the defaulting party the amount in default to the person or entity entitled to receive the same. Any such advance on behalf of a defaulting party shall be immediately repayable by the defaulting party, without further notice of any kind, and shall bear interest from and after the date of such advance at the rate of twelve percent (12%) per annum, but in no event in excess of the maximum interest rate permitted by applicable law, and the defaulting party shall further be liable for all costs of collection, including reasonable attorney fees. The party making such advance on behalf of a defaulting party is hereby authorized and empowered to take such actions as may be necessary, including employment of attorneys, and to commence and prosecute litigation, to effectuate the prompt collection of all amounts so in default, including all interest and attorney fees.
- 11. <u>Integrated Contract; Governing Law</u>. It is intended by the parties that this Maintenance Agreement and the incorporated, attached, and referenced documents shall be an

integrated contract and that this Agreement may only be amended or modified in a writing signed by all parties. Invalidation of any provision of this Agreement shall in no way affect any other provision which shall remain in full force and effect. This Maintenance Agreement shall be construed and governed by the laws of the State of Nebraska.

12. <u>Binding Effect</u>. This Maintenance Agreement shall be binding and obligatory on the parties hereto and their successors and assigns. This Maintenance Agreement shall follow ownership of the Buildings and shall run with the land described herein and shall be binding upon and inure to the benefit of the owners in fee of said parcels of real estate during the existence of the Skywalk and upon their heirs, personal representatives, successors, and assigns. This Maintenance Agreement may only be assigned to a successor in ownership of the land which is the subject of this Maintenance Agreement.

Executed this day of	2002.	
ATTEST:	CITY OF LINCOLN, NEBRASKA, a municipal corporation,	
City Clerk	By: Don Wesely, Mayor LINCOLN INVESTMENT GROUP, L. a Nebraska limited liability company,	L.C.
	By:	
	ST. GEORGE, L.L.C., a Nebraska limited liability company,	
	By:	
2002, by Don	acknowledged before me on the of Wesely, as Mayor of the City of Lincoln, a mu	•
corporation, on behalf of the City.	Notary Public	

STATE OF NEBRASKA)	
COUNTY OF LANCASTER) ss.)	
	ment was acknowledged before me on of Lincoln Investment Group, L.L.C	
	Notary Public	
STATE OF NEBRASKA COUNTY OF LANCASTER)) ss.)	
	ment was acknowledged before me on of St. George, L.L.C., a Nebr	
	Notary Public	
STATE OF NEBRASKA COUNTY OF LANCASTER)) ss.)	
	ment was acknowledged before me on of (Gold's Galleria).	2002,
	Notary Public	